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SENATE BILL 348

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Dede Feldman

AN ACT

RELATING TO TAXATION; PROVIDING A TAX CREDIT FOR A SOLAR OR
WIND ENERGY SYSTEM INSTALLED IN A RESIDENCE OR BUSINESS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted
to read:

"[NEW MATERIAL] CREDIT FOR RESIDENTIAL SOLAR OR WIND
ENERGY SYSTEMS. --

A. A taxpayer who is a resident of New Mexico,
files an individual New Mexico income tax return and is not a
dependent of another individual may claim a credit, not to
exceed three thousand dollars (\$3,000), in an amount equal to
fifteen percent of the installed costs of a solar or wind
energy system purchased by the taxpayer and installed in the
taxpayer's primary residence in New Mexico between July 1, 2003

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1 and June 30, 2013.

2 B. To be eligible for the credit provided by this
3 section, the solar or wind energy system and the installation
4 of the system must be warranted for a minimum of one year from
5 the completion date of the installation of the system. The
6 person selling the system and the person installing the system
7 shall furnish the taxpayer with a written statement of the cost
8 to the taxpayer and a written statement of the warranty.

9 C. The credit provided by this section may only be
10 deducted from the taxpayer's New Mexico income tax liability
11 for the taxable year in which the solar or wind energy system
12 is installed. If the amount of the credit exceeds the tax
13 liability of the taxpayer, the unused credit may be carried
14 forward for not more than five consecutive taxable years. A
15 taxpayer may not claim tax credits pursuant to this section
16 exceeding in the aggregate three thousand dollars (\$3,000) for
17 the same residence.

18 D. A husband and wife who file separate returns for
19 a taxable year in which they could have filed a joint return
20 may each claim only one-half of the credit provided by this
21 section that would have been allowed on a joint return.

22 E. As used in this section:

23 (1) "solar or wind energy system" means a
24 system or series of mechanisms designed primarily to produce
25 electrical power or provide heating, by means of collecting and

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[bracketed material] = delete

1 transferring solar- or wind-generated energy by active means,
2 and includes only photovoltaic systems, wind-driven systems,
3 solar domestic hot water systems or active solar space heating
4 systems. "Solar or wind energy system" does not include a
5 system used for the heating of a swimming pool, sauna or hot
6 tub; and

7 (2) "installed cost" means the cost paid or
8 incurred by the taxpayer for the purchase and installation of
9 the solar or wind energy system, including purchase of an
10 extended warranty on the system.

11 F. The energy, minerals and natural resources
12 department may issue rules establishing eligibility standards
13 for the credit provided by this section, including:

14 (1) minimum energy efficiency and other
15 specifications for equipment and components of solar or wind
16 energy systems;

17 (2) minimum warranty requirements for solar or
18 wind energy systems; and

19 (3) installation standards and qualifications
20 for persons installing solar or wind energy systems. "

21 Section 2. A new section of the Corporate Income and
22 Franchise Tax Act is enacted to read:

23 "[NEW MATERIAL] CREDIT FOR SOLAR OR WIND ENERGY SYSTEMS. --

24 A. A taxpayer that files a New Mexico corporate
25 income tax return may claim a credit, not to exceed three

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1 thousand dollars (\$3,000), in an amount equal to fifteen
2 percent of the installed cost of a solar or wind energy system
3 purchased by the taxpayer and installed in the taxpayer's
4 business location in New Mexico between July 1, 2003 and
5 June 30, 2013.

6 B. To be eligible for the credit provided by this
7 section, the solar or wind energy system and the installation
8 of the system must be warranted for a minimum of one year from
9 the completion date of the installation of the system. The
10 person selling the system and the person installing the system
11 shall furnish the taxpayer with a written statement of the cost
12 to the taxpayer and a written statement of the warranty.

13 C. The credit provided by this section may only be
14 deducted from the taxpayer's corporate income tax liability for
15 the taxable year in which the solar or wind energy system is
16 installed. If the amount of the credit exceeds the tax
17 liability of the taxpayer, the unused credit may be carried
18 forward for not more than five consecutive taxable years. A
19 taxpayer may not claim tax credits pursuant to this section
20 exceeding in the aggregate three thousand dollars (\$3,000) for
21 a single business location.

22 D. A taxpayer that claims a credit pursuant to this
23 section for a business owned by a partnership or other business
24 association of which the taxpayer is a member may claim a
25 credit only in proportion to his interest in the partnership or

underscored material = new
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1 association. The total credit claimed by all members of the
2 partnership or association shall not exceed three thousand
3 dollars (\$3,000) for a single business location.

4 E. As used in this section:

5 (1) "solar or wind energy system" means a
6 system or series of mechanisms designed primarily to produce
7 electrical power or provide heating, by means of collecting and
8 transferring solar- or wind-generated energy by active means,
9 and includes only photovoltaic systems, wind-driven systems,
10 solar domestic hot water systems or active solar space heating
11 systems. "Solar or wind energy system" does not include a
12 system used for the heating of a swimming pool, sauna or hot
13 tub; and

14 (2) "installed cost" means the cost paid or
15 incurred by the taxpayer for the purchase and installation of
16 the eligible solar or wind energy system, including purchase of
17 an extended warranty on the system.

18 F. The energy, minerals and natural resources
19 department may issue rules establishing eligibility standards
20 for the credit provided by this section, including:

21 (1) minimum energy efficiency and other
22 specifications for equipment and components of solar or wind
23 energy systems;

24 (2) minimum warranty requirements for solar or
25 wind energy systems; and

1 (3) installation standards and qualifications
2 for persons installing solar or wind energy systems."

3 Section 3. APPLICABILITY.--The provisions of this act
4 apply to taxable years beginning on or after January 1, 2003.